

U.S. Department of Justice

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NEWS RELEASE

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United States Attorney Paul J. McNulty announced that David A. Zawoiski, age 36, of Stafford, Virginia, pled guilty today before the Honorable Gerald Bruce Lee, United States District Judge, to one count of mail fraud stemming from his participation in a scheme to defraud his former employer, Allstate Insurance Company, of over \$425,000 in connection with fictitious damage claims approved for payment by Zawoiski. Judge Lee set sentencing for January 3, 2003, at which time Zawoiski faces a maximum term of five years imprisonment and a \$250,000 fine.

As a field adjuster for Allstate from 1989 to June 2001, Zawoiski reviewed property damage claims submitted by Allstate customers and authorized repairs, as well as payments for those repairs. In approximately October 1996, Zawoiski agreed with another person to add fictitious damages to legitimate property damage claims submitted by Allstate customers. Zawoiski identified his co-schemer as the person who allegedly performed the repairs required by the fictitious damages and approved Allstate's payments to his co-schemer for the fictitious repairs. Zawoiski delivered the Allstate checks to his co-schemer who returned approximately half of the money to Zawoiski.

The scheme continued until May 2001. Between October 1996 and May 2001, Zawoiski wrote or caused to be written 70 Allstate checks totaling \$425,777 payable to his co-schemer. Between February 1997 and May 2001, the co-schemer returned approximately half of the money to Zawoiski, largely by checks payable to Zawoiski.

The investigation was conducted by agents of the Federal Bureau of Investigation. The prosecution of the case is being handled by Assistant United States Attorney John J. Klein.